

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input type="checkbox"/> Twp <input type="checkbox"/> Village <input checked="" type="checkbox"/> Other		Local Unit Name Township Ambulance Authority	County Antrim
Fiscal Year End March 31, 2007	Opinion Date May 29, 2007	Date Audit Report Submitted to State June 19, 2007	

We affirm that:

We are certified public accountants licensed to practice in Michigan.


We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

YES NO Check each applicable box below. (See instructions for further detail.)

1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
4. ☒ ☐ The local unit has adopted a budget for all required funds.
5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
11. ☒ ☐ The local unit is free of repeated comments from previous years.
12. ☒ ☐ The audit opinion is UNQUALIFIED.
13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

We have enclosed the following:	Enclosed	Not Required (enter a brief justification)		
Financial Statements	<input checked="" type="checkbox"/>			
The letter of Comments and Recommendations	<input type="checkbox"/>	None		
Other (Describe)	<input type="checkbox"/>	None		
Certified Public Accountant (Firm Name) Dan Smith, CPA		Telephone Number (989)732-1441		
Street Address 114 S. Center Avenue Suite 108		City Gaylord	State MI	Zip 49735
Authorizing CPA Signature 		Printed Name Daniel S. Smith		License Number 1101020912

TOWNSHIP AMBULANCE AUTHORITY

ANTRIM COUNTY

FINANCIAL STATEMENTS

MARCH 31, 2007

TOWNSHIP AMBULANCE AUTHORITY

CENTRAL LAKE

STANLEY BEAN

CHESTONIA

ROBERT BECKNER

CUSTER

ROBERT RICKSGERS

FOREST HOME

TERRY SMITH

HELENA

BRUCE WIERMAN

KEARNEY

TIM COMBEN

MANCELONA

MAURICE MCGLEISH

STAR

DONNA SIMONS

WARNER

MATTHEW DOBRZELEWSKI

TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	I
MANAGEMENT'S DISCUSSION AND ANALYSIS	II – IV
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>	
STATEMENT OF NET ASSETS	1
STATEMENT OF ACTIVITIES	2
<u>GOVERNMENTAL FUND FINANCIAL STATEMENTS</u>	
BALANCE SHEET	3
RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET ASSETS	4
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE	5
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES	6
NOTES TO FINANCIAL STATEMENTS	7 - 13
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL	14

INDEPENDENT AUDITOR'S REPORT

May 29, 2007

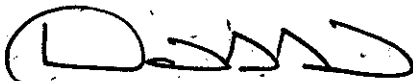
Members of the Board
Township Ambulance Authority

I have audited the accompanying financial statements of the governmental activities and the major fund information of the Township Ambulance Authority, Antrim County, Michigan as of and for the year ended March 31, 2007, which collectively comprise the Authority's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Authority's management. My responsibility is to express an opinion on these financial statements based on my audit.

I have conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, and the major fund information of the Township Ambulance Authority, Antrim County, Michigan as of March 31, 2007, and the respective changes in financial position, thereof and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis, which immediately follows the Independent Auditor's Report and the budgetary comparison information on page 13, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.



Daniel S. Smith, CPA

TOWNSHIP AMBULANCE AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Township Ambulance Authority annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ended March 31, 2007. Please read it in conjunction with the financial statements that immediately follow this section.

Financial Highlights

Our financial status improved over the last year. Assets increased by approximately \$85,458. Total assets are now \$740,896 of which \$170,801 represents capital assets.

Overall revenues were \$373,360 and overall expenses were \$287,902 in the statement of activities.

The Authority spent \$16,270 on new equipment and \$136,000 on the new ambulance facility, \$120,000 of which was for the security deposit. The security deposit will be recouped over the next 48 months, through a reduction in the monthly lease payment of \$2,500.

Overview of the Financial Statements

This annual report consists of three parts; management's discussion and analysis, the basic financial statements and required supplementary information. The basic financial statements include two different kinds of statements that present different views of the entity.

The first two statements are entity wide financial statements and provide both long and short-term information about our overall financial status. These statements present government activities.

The remaining statements are fund financial statements, which focus on detail.

The notes to the financial statements explain some of the information in the statements and provide more detailed data.

Required supplementary information further explains and supports the financial statement information with budgetary comparisons.

Entity Wide Statements

The entity wide statements report information about the Authority as a whole, using accounting methods used by private companies. The statement of net assets includes all the Authority's assets and liabilities. The statement of activities records all of the current year revenues and expenses regardless of when received or paid.

The two entity wide statements report net assets and how they have changed. Net assets are the difference between the Authority's assets and liabilities and this is one method to measure the Authority's financial health or position.

Over time, increases or decreases in the Authority's net assets are an indicator of whether financial position is improving or deteriorating.

Fund Financial Statements

The fund financial statements provide more detailed information about the Authority's funds. Funds are established to account for funding and spending of specific financial resources and to show proper expenditures of those resources.

The entity has the following kind of funds:

Governmental Fund – All of the Authority's activities are included in one general fund, classified in the governmental fund category. This fund is presented on the modified accrual basis, which is designed to show short-term financial information. You will note that differences between the entity wide statements and the fund statements are disclosed in the reconciling financial statements to explain the difference between them.

Financial Analysis of the Entity as a Whole

Net Assets – the Authority's net assets increased by \$85,458 during the year ended March 31, 2007, totaling \$740,896, of which \$265,801 is invested in capital or other assets, leaving \$455,095 in unrestricted net assets. The increase in net assets is due primarily to conservative spending by the Authority. The unrestricted net assets will be used for future capital asset purchases and operating expenses.

Financial Analysis of the Authority's Funds

Fund Balance – the Authority's fund balance decreased by \$22,278, bringing the total fund balance to \$455,095.

Capital/Other Assets

Our capital asset purchases include new equipment (\$16,270), new building costs (\$16,000) and a security deposit on the new building (\$120,000). Our total net capital/other assets at year end were \$285,801.

Long-term Debt

The Authority has no long-term debt.

Known Factors affecting Future Operations

None.

Contacting Authority Management

This financial report is designed to provide our taxpayers and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the revenues it receives. If you have any questions concerning this report, please contact the following members of the Authority:


Terry Smith, Forest Home Township
Maurice McGleish, Mancelona Township

**TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF NET ASSETS
MARCH 31, 2007**

ASSETS

Current Assets:

Cash	\$ 359,002
Certificate of Deposit	53,799
Current Taxes Due from Townships	2,165
Delinquent Taxes Receivable	32,709
Prepaid Rent	7,420
	<hr/>
Total Current Assets	455,095
	<hr/> <hr/>

Capital Assets:

Fixed Assets - Original Purchase	36,000
Vehicles	158,777
Equipment	48,181
Building Costs	23,855
	<hr/>
	266,813
Less, Accumulated Depreciation	(96,012)
	<hr/>
Total Capital Assets	170,801
	<hr/>

Security Deposit - Building	115,000
	<hr/>

Total Assets	740,896
	<hr/> <hr/>

LIABILITIES

Accounts Payable	\$ -
	<hr/>

NET ASSETS

Unrestricted Net Assets	455,095
Investment in Capital/Other Assets	285,801
	<hr/>
Total Net Assets	\$ 740,896
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007**

<u>P R O G R A M R E V E N U E S</u>				<u>NET REVENUE/ (EXPENSE) AND CHANGES IN NET ASSETS</u>
EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS & CONTRIBUTIONS	CAPITAL GRANTS & CONTRIBUTIONS	TOTAL
\$ (287,902)	-	-	-	\$ (287,902)

GOVERNMENTAL ACTIVITIES

Ambulance Service

GENERAL REVENUES

Property Taxes:

Forest Home	73,625
Kearney	67,164
Central Lake	53,595
Mancelona	46,275
Helena	45,238
Custer	46,296
Star	19,361
Warner	8,688
Chestonia	8,818
Delinquent Personal Property Taxes	3,039
Interest Income	1,261

Total General Revenues	373,360
CHANGE IN NET ASSETS	85,458
NET ASSETS - APRIL 1, 2006	655,438
NET ASSETS - MARCH 31, 2007	\$ 740,896

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUND
MARCH 31, 2007**

	GENERAL FUND
ASSETS:	
Cash	\$ 359,002
Certificate of Deposit	53,799
Taxes Receivable:	
Current Taxes Due from Townships	2,165
Delinquent Taxes - County	32,709
Prepaid Rent	7,420
	<hr/>
Total Assets	455,095
	<hr/> <hr/>
LIABILITIES:	
Accounts Payable	\$ -
	<hr/>
FUND EQUITY:	
Fund Balance - Undesignated	447,675
Fund Balance - Reserved	7,420
	<hr/>
Total Fund Equity	455,095
	<hr/>
Total Liabilities and Fund Equity	\$ 455,095
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
MARCH 31, 2007**

TOTAL FUND BALANCES - GOVERNMENTAL ACTIVITIES PER BALANCE SHEET - PAGE 3	\$ 455,095
---	-------------------

Amounts reported for governmental activities in the Statement of Net Assets (page 1) are different because:

Capital assets used in governmental activities are not financial resources and therefore not used in the funds.	170,801
---	---------

The Security Deposit listed in the Statement of Net Assets is a long-term amortizable asset, therefore, not included in the Genral Fund Balance Sheet	115,000
---	---------

TOTAL NET ASSETS - GOVERNMENTAL ACTIVITIES PER STATEMENT OF NET ASSETS - PAGE 1	\$ 740,896
--	-------------------

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007**

	GENERAL FUND
<hr/>	
REVENUES:	
Property Taxes:	
Forest Home	\$ 73,625
Kearney	67,164
Central Lake	53,595
Mancelona	46,275
Custer	46,296
Helena	45,238
Star	19,361
Chestonia	8,818
Warner	8,688
Delinquent Personal Prop. Taxes	3,039
Interest Income	1,261
	<hr/>
Total Revenues	373,360
	<hr/>
EXPENDITURES:	
Contractual Services	200,212
Capital Outlay	33,558
Security Deposit - New Building	120,000
Building Lease Payments	14,420
Fuel	14,692
Legal Services	6,173
Communications	2,048
Insurance	1,904
Audit	1,750
Supplies	430
Utilities	197
Mileage Reimbursement	167
Postage	67
Miscellaneous	20
	<hr/>
Total Expenditures	395,638
	<hr/>
Excess (Deficiency) of Revenues Over Expenditures	(22,278)
FUND BALANCE - APRIL 1, 2006	477,373
	<hr/>
FUND BALANCE - MARCH 31, 2007	\$ 455,095
	<hr/> <hr/>

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2007**

NET CHANGE IN FUND BALANCES

TOTAL GOVERNMENTAL FUNDS - PAGE 5

\$ (22,278)

Amounts reported for governmental activities in the statement of activities (page 2) are different because:

Governmental funds report capital outlays as expenditures.

However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives.

32,270

Depreciation expense is recorded in the statement of activities but not in the governmental fund financial statements.

(39,534)

The Security Deposit related to the building rent is recorded as an expenditure in the fund statement, however, only that portion that is amortized is expensed in the Statement of Activities.

115,000

**CHANGES IN NET ASSETS - GOVERNMENTAL ACTIVITIES
PER THE STATEMENT OF ACTIVITIES - PAGE 2**

\$ 85,458

See accompanying notes to the financial statements

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE A: ENTITY

The Township Ambulance Authority was established under Public Act 57 of 1988, in November, 2002, in order to provide a stable and reliable ambulance service to the participating Townships: Central Lake, Chestonia, Custer, Forest Home, Helena, Kearney, Mancelona, Star and Warner. Each township will have one resident represented on the nine member board. Upon dissolution, all assets and debts of the Authority shall be divided among the member townships according to each township's state equalized value – and its relationship to the Authority's state equalized value.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting framework and the more significant accounting principles and practices of the Township Ambulance Authority are discussed in subsequent sections of this note. The remainders of the Notes are organized to provide explanations, including required disclosures of the Authority's financial activities.

The accounting policies of the Township Ambulance Authority conform to the generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies.

On April 1, 2003, the Township Ambulance Authority adopted the new governmental reporting model and implemented Governmental Accounting Standards Board (GASB) Statement No. 34 "Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments" and Statement No. 38 "Certain Financial Statement Note Disclosures".

Under the provisions of GASB Statements No. 34 and 38, the focus of the Authority's financial statements has shifted from a fund focus to a government-wide focus.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements include the statement of net assets and the statement of activities. These statements report financial information for the Authority as a whole.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-Wide Financial Statements (continued)

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one functional activity. The Authority has one fund and one functional activity – ambulance services. Program revenues include: (1) charges for services which report fees, fines and forfeitures, and other charges to users of the Authority's services; (2) operating grants and contributions which finance annual operating activities including restricted investment income; and (3) capital grants and contributions which fund the acquisition, construction, or rehabilitation of capital assets and include fees to developers. These revenues are subject to externally imposed restrictions to these program uses. Taxes and other revenue sources not included with program revenues are reported as general revenues.

Fund Financial Statements

Fund financial statements are provided for the Authority's governmental fund.

The measurement focus and basis of accounting for the government-wide and fund financial statements are described in a subsequent section of this note.

FUND TYPE AND MAJOR FUND

Governmental Fund

The Authority reports the following major governmental fund:

General Fund- This fund is used to account for all financial transactions of the Township Ambulance Authority. The Authority's primary source of revenue is from Township property taxes "earmarked" for ambulance services. These taxes are received from the nine participating Townships throughout the year.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Authority are prepared in accordance with generally accepted accounting principles (GAAP). The Authority's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and applicable Financial Accounting Standards Board (FASB) pronouncements, and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless they conflict with GASB pronouncements. The Authority does not apply FASB pronouncements or APB opinions issued after November 30, 1989.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting (Continued)

The government-wide statements report using the economic resources measurement focus and the accrual basis of accounting. Reimbursements are reported as a reduction to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when grantor eligibility requirements are met.

Governmental Fund Financial Statements

Governmental fund financial statements report using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurably available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Authority considers revenues to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported as expenditures in the year due.

Major revenue sources susceptible to accrual include: property taxes and investment income. In general, other revenues are recognized when cash is received.

BUDGET

An annual budget is required of the Township Ambulance Authority. The budget is open to the public for their consideration before final adoption. The Townships also individually review and approve the budget. Upon completion of the public hearing, the budget was adopted on a fund level using the modified accrual basis of accounting. The budget was amended as necessary throughout the year. Both the original and amended budgets are presented in these financial statements, as a part of required supplementary information. Budgets as adopted end on March 31st of each year. There are no carryover budget items.

Public Act 621 of 1978 as amended provides that a local unit shall not incur expenditures in excess of the amount appropriated. For the year ended March 31, 2007, the general fund incurred expenditures less than its final budget by \$12,102.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

RESTRICTED RESOURCES

The Authority currently has no restricted resources.

CAPITAL ASSETS AND DEPRECIATION

The Authority's property, plant, and equipment with useful lives of more than one year are stated at historical cost and comprehensively reported in the government-wide financial statements. The Authority has no infrastructure assets. Donated assets are stated at fair value on the date donated. The Authority generally capitalizes assets with a cost of \$1,000 or more.

Capital assets are depreciated using the straight-line method. When capital assets are disposed, the cost and applicable accumulated depreciation are removed from the respective accounts and the resulting gain or loss is recorded in operations.

Estimated useful live, in years, for depreciable assets are as follows:

Buildings and Improvements	25 - 40
Land Improvements	10 - 20
Furniture, Machinery, and Equipment	5 - 10
Vehicles	5 - 10

Land and construction in progress are not depreciated.

For information describing capital assets, see Note E.

**LONG-TERM DEBT, DEFERRED DEBT EXPENSE, AND BOND
DISCOUNTS/PREMIUMS**

The Township Ambulance Authority currently has no debt.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE C: CASH AND INVESTMENTS

Cash consists of bank accounts with original maturities of 90 days or less.

All cash deposits are maintained in financial institutions in the Antrim County area. The Authority's deposits are categorized to give an indication of the level of risk assumed by the Authority at fiscal year-end. The categories are described as follows:

Category 1 - Insured or collateralized with securities held by the Authority or by its agent in the Authority's name.

Category 2 - Collateralized with securities held by the pledging Financial institution's trust department or agent in the Authority's name.

Category 3 - Uncollateralized and uninsured.

	Bank Balance	Category 1	2	3	Carrying Amount
Cash Deposits	412,801	153,799		259,002	412,801

NOTE D: TAXES RECEIVABLE

The following amounts were due from the participating townships at March 31, 2007:

	<u>Current Taxes</u>	<u>Delinquent Taxes</u>
Central Lake	\$ -	4,549
Chestonia	-	1,184
Custer	13	4,122
Forest Home	-	3,506
Helena	770	3,563
Kearney	-	5,457
Mancelona	1,382	7,120
Star	-	2,456
Warner	-	752
	<u>\$ 2,165</u>	<u>\$ 32,709</u>

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE E: CAPITAL ASSETS AND DEPRECIATION

The following table provides a summary of changes in capital assets:

CAPITAL ASSETS DEPRECIATED

	<u>VEHICLES</u>	<u>EQUIPMENT</u>	<u>BUILDINGS</u>	<u>TOTALS</u>
<u>Governmental Activities</u>				
Balance, April 1, 2006	\$ 158,777	\$ 67,911	\$ 7,855	\$234,543
Increases	-	16,270	16,000	32,270
Decrease	-	-	-	-
Balance, March 31, 2007	<u>158,777</u>	<u>84,181</u>	<u>23,855</u>	<u>266,813</u>
<u>Governmental Activities</u>				
Accumulated Depreciation				
Balance, April 1, 2006	24,712	31,766	-	56,478
Increases	24,300	14,637	597	39,534
Decreases	-	-	-	-
Balance, March 31, 2007	<u>49,012</u>	<u>46,403</u>	<u>597</u>	<u>96,012</u>
Governmental Activities Capital Assets, Net	<u>\$ 109,765</u>	<u>\$ 37,778</u>	<u>\$ 23,258</u>	<u>\$ 170,801</u>

NOTE F: CONTRACTS

The Authority has entered into an "Ambulance Management Service Contract" with Allied EMS Systems, Inc. and Life + Link (both Michigan nonprofit corporations). In summary, the Authority purchased Life + Link's capital assets for \$36,000 and contracted with Allied for operational ambulance services. A subsidy shall be paid by the Authority to Allied to "cover" the estimated total operating loss for each calendar year. For 2007, the estimated loss is \$216,504, of which \$108,252 (50%) was paid in December, 2006. Additionally \$91,961 was paid in January, 2007, to cover the remaining loss for 2006.

The contract term is January 1, 2003 through December 31, 2007.

NOTE G: INSURANCE

The Authority does maintain "bond surety" coverage for certain board members. Liability coverage is part of the contractual agreement with Allied.

**TOWNSHIP AMBULANCE AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE H: SECURITY DEPOSIT

The Authority entered into a long-term lease with Kearney Township to rent the "new" ambulance building located in Bellaire, MI. The lease called for a \$120,000 security deposit. The deposit will be "utilized" through a reduction in the monthly base rent for 48 months. The balance of the security deposit at March 31, 2007 is \$115,000.

NOTE I: LONG-TERM LEASE

The Authority has entered into a long-term lease with Kearney Township to rent the "new" ambulance building located in Bellaire, MI. The base rent is essentially based on the cost to construct the new facility. The term of the lease is four years, commencing February 1, 2007. The base monthly rent is \$9,710. The future obligations are as follows:

	Base Rent	Security Deposit Utilization	Net Rent Obligation
2007-08	\$ 116,520	\$ 30,000	\$ 86,520
2008-09	116,520	30,000	86,520
2009-10	116,520	30,000	86,520
2010-11	97,100	25,000	72,100
	<u>\$ 446,660</u>	<u>\$ 115,000</u>	<u>\$ 331,660</u>

TOWNSHIP AMBULANCE AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED MARCH 31, 2007

	ORIGINAL BUDGET	FINAL AMENDED BUDGET	ACTUAL	VARIANCE FROM FINAL AMENDED BUDGET
REVENUES:				
Property Taxes:				
Forest Home	\$ 73,500	\$ 73,500	\$ 73,625	\$ 125
Kearney	67,000	67,000	67,164	164
Central Lake	53,500	53,500	53,595	95
Mancelona	46,000	46,000	46,275	275
Helena	45,000	45,000	45,238	238
Custer	46,000	46,000	46,296	296
Star	19,000	19,000	19,361	361
Warner	8,500	8,500	8,688	188
Chestonia	8,500	8,500	8,818	318
Delinquent Personal Prop. Taxes	-	-	3,039	3,039
Interest Income	1,000	1,000	1,261	261
Total Revenues	<u>368,000</u>	<u>368,000</u>	<u>373,360</u>	<u>5,360</u>
EXPENDITURES:				
Contractual Services	183,903	200,000	200,212	(212)
Security Deposit - New Building	-	120,000	120,000	-
Building Lease Payments	-	21,840	14,420	7,420
Capital Outlay	123,000	37,000	33,558	3,442
Fuel	14,000	14,000	14,692	(692)
Legal Services	2,500	2,500	6,173	(3,673)
Communications	2,800	2,800	2,048	752
Insurance	2,500	2,500	1,904	596
Audit	3,000	3,000	1,750	1,250
Supplies	1,000	1,000	430	570
Mileage Reimbursement	500	500	167	333
Postage	100	100	67	33
Utilities	-	-	197	(197)
Miscellaneous	1,000	1,000	20	980
Education	1,000	1,000	-	1,000
Meals & Lodging	500	500	-	500
Total Expenditures	<u>335,803</u>	<u>407,740</u>	<u>395,638</u>	<u>12,102</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>32,197</u>	<u>(39,740)</u>	<u>(22,278)</u>	<u>17,462</u>
FUND BALANCE - APRIL 1, 2006	<u>477,373</u>	<u>477,373</u>	<u>477,373</u>	<u>-</u>
FUND BALANCE - MARCH 31, 2007	<u>\$ 509,570</u>	<u>\$ 437,633</u>	<u>\$ 455,095</u>	<u>\$ 17,462</u>

See accompanying notes to the financial statements